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# NATIONAL ASSOCIATION OF CORPORATION TRAINING BULLETIN

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Volume VIII

August, 1921

## Employee Representation at the Lynn Works of the General Electric Company

Addressing the delegates assembled at the Ninth Annual Convention of this Association held at Niagara Falls, Mr. Richard H. Rice, manager of the Lynn Works of the General Electric Company, told in detail of the installation of an Employees Representation Plan, how the plan has functioned, and the results that have been obtained. Practically every factor which must be considered in such a plan was described. Mr. Rice also told in detail of the character of complaints, how they originate, and how solutions are determined. It is his belief that a properly installed plan, with the support of management, can be made a means of determining the problems which arise as between stockholders, the workers, and management, and will eventually result in understanding and cooperation to the mutual advantage of all.

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# National Association of Corporation Training

Headquarters, 125 East 42d Street, New York, N. Y.

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The purpose of the Association are threefold: to develop the efficiency of the individual workers; to increase efficiency in industry; to have the courses in established educational institutions modified to meet more fully the needs of industry.

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From the 1st of June—Article V.

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# BULLETIN

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## TRAINING YOUR OWN SKILL AND LEADERSHIP

Writing in the magazine *Trained Men*, Mr. James H. Collins, recognized as one of the leading authorities on business problems, discusses the question of the advisability of business organizations training for skill and leadership among their own employes as against the alternative method of going outside and hiring men trained by other business organizations, or men who have recognized the value of the trained mind and have educated themselves. Mr. Collins cites an instance of the president of an automobile concern in Detroit, seeking executive material, hired twenty-five youngsters from the graduating class at Ann Arbor, and put them in training. At the end of a year there were two of his imported college men left—one a salesman and the other a bookkeeper.

"The business executive constantly preaches opportunity to the wage earner and salaried employee. They might turn about and preach an occasional opportunity sermon to him—the many opportunities for improving his organization by the discovery of ambitious, studious, and industrious people right in the organization, the best material for promotion and growth.

"Many an industrial and mercantile organization in this country is parasitical in that it seeks to live and grow from the outside, raiding other organizations for trained men instead of training its own and encouraging self-training through promotion. Some of the most expensive items of expense are concealed in this policy—abnormal labor turnover, incompetence, lax discipline, spoilage, and waste generally.

"In going outside the organization for skill and leadership, business men are really under the influence of an outgrown national viewpoint—that under which our industries were recruited through immigration.

"Millions upon millions of study hours are devoted to technical subjects by young people in this country every year, in

correspondence courses, apprentice schools, factory schools, technical institutes, and college extension classes or lectures. Why? Because these students believe that a market exists for ability and that the selling value of their time can be increased by better technical knowledge.

"Not so very long ago a teacher with wide experience in training wage earners went aboard one of Uncle Sam's battle-ships. He found that men in the Navy had a comfortable margin of spare time for study. He found that they were living aboard about as fine a technical institute as one could wish; equipped right up to the minute with all sorts of apparatus. A battleship is a city in miniature, with steam, electric, hydraulic, and pneumatic power plants, water works, sewerage, heating, lighting, communication, signalling, refrigeration, laundering, cooking, machine shops, hospital. About the only community activities not represented are the milliner's shop and the kindergarten. Sailors were being taught technical jobs in a routine way, operating this lever and oiling that set of bearings without any inkling of the why, or wherefore, or what it was all about. When this teacher showed them that a few hours devoted to study of the things they were doing as a whole—the theory and practice of their jobs—and that they might fit themselves in the service for good positions ashore, dozens of school rooms were started all over the ship.

"He sold them study like merchandise, as something that they themselves, in turn, could later sell for better incomes.

"That men and women will study if they can see results is fundamental.

"To go outside for men, instead of shopping inside the organization, is to be asleep to its capacity to grow upon itself.

"Advancement in many organizations is still a rough survival of the fittest where, by opening up clear lines of promotion, it would be the arrival of the fittest.

"No better plan of promotion has ever been devised than that of providing understudies for each important position—it is a plan that can be extended to the file clerks and office boys.

"Keeping before employes their next possible step in advancement stimulates study to become fit for promotion, and is personnel insurance.

"Napoleon was right—in the knapsack of every industrial private there should be a marshal's baton—and it should be placed there by the commander-in-chief."

### **SATISFACTORY PROGRESS OF PERSONNEL DEVELOPMENTS**

There are some developments in the so-called field of personnel relations, as applied to business organizations, which have not slowed down during the present business depression, but, on the contrary, have made greater progress than was gained prior to the reorganization period. One of these developments is the encouraging of the more permanent employes of business organizations to become stockholders in their company. Perhaps this particular development is making greater progress than any other, with the exception of the instituting of Employee Representation plans.

Employee insurance has also held its own, and it is probable at the moment that a majority of the progressive business organizations of this country now have not only group and other forms of employee insurance plans, but also funds to take care of sickness and the emergencies caused by death.

There is a noticeable revival of other so-called personnel developments, which include the employment of more scientific methods in taking on new employes, in fitting these new members into the organization, and in providing for promotion and increasing their remuneration as deserved. Notwithstanding the published statements that personnel relations activities were being discontinued as a result of business depression, almost the exact reverse is true. It is, of course, a fact that those who were simply playing with the movement or using it for advertising purposes have come to the surface and have been cast out from among the progressive and earnest business executives who desire to analyze and ascertain just what advantage may be gained from the different developments that have been made in the personnel field during the past few years.

There are, and for several years there will be executives of business organizations who will attempt to administer their duties as their fathers managed, and there will be others who will assume the right to dictate to business executives how they shall exercise their functions, but without assuming any of the responsibility which the executives must bear. The reactionary and the radical are always with us, but the movement for better understanding between stockholders, management and the employes looking to readjustments which will earn and receive the approval of the public is on a more solid basis at the present moment than at any other period, and the future seems particularly bright.

### **OPINIONS OF SUCCESSFUL MEN THE STANDARD OIL MAN POLICY**

There is, however, one feature common to all branches of our business activity and more important than crude oil, pipe lines, refineries, distributing plants and ships, and that is the human factor. This company is one of the largest employers of labor, and no matter how great our material resources may be, we cannot expect to be successful unless we have the loyal co-operation of our employes. You are all familiar with our industrial Representation Plan and know that it stands for a square deal for each and every employe and the recognition of the employe as an individual with a right to a voice in matters that directly concern him. The plan has been in operation for nearly two years, and the fact that we have had no labor disturbances during that period tends to show that the basic principles upon which it is founded are sound. It would be a mistake, however, for any of us to consider the plan a sure panacea and cure-all for the difficulties which from time to time are sure to crop up. We must encourage our men to work with their brains as well as with their hands, and to do this we must teach them the relationship of their duties to the entire operation so that they may appreciate the meaning and consequences of each act they are asked to perform during the day. The thinking capacity of the wage earner has been the most neglected asset of modern industry, and through the workmen's classes which are now being conducted at Bayway we are endeavoring to secure from our men not only a daily output of labor but also to draw upon their ideas, their enthusiasm, their imagination and their experience in a never-ending campaign to do things a little better than they have ever been done before.—A. W. C. Teagle, President, the Standard Oil Company (New Jersey).

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### **A NEW RESPONSIBILITY IN MANAGEMENT**

I am coming to the conclusion that the leaders and managers of American industry, the men who by reason of their abilities hold the positions of power and influence in the community, must accept a greater responsibility for the common welfare than they have felt in the past. If they want society to develop a common outlook and spirit, they must exert themselves to that end. They must show that spirit themselves. They must show themselves outside the circle of their own private interests and

identify themselves with the common interests. They must help give that direction and supervision to community interests which are so much needed.

This responsibility they must take whether they like it or not. Whatever goes wrong with society for want of intelligent guidance and affects the living conditions of the people unfavorably, reacts upon business. The average man does not think very deeply or reflect very profoundly about causes; he judges mainly by visible results. The leaders of industry and society must produce results. It is up to them to show the common man how to be efficient, to make him prosperous, and to satisfy him that he has a stake in the country. It is squarely up to them to win the confidence of the masses. Success may not be easy, but in all fields the ability to overcome obstacles is one of the conditions of leadership. The man who cannot measure up to the requirements simply fails as a leader.

To inspire men to work with hearty spirit, there must be the hope and the prospect of improving conditions. If the necessities of life are growing dearer, if employment is more irregular, if the conditions of life grow harder, if the outlook for the children is no better, there will be discontent. Rightly or wrongly the leaders of affairs, who appear to have power in their hands, will be held responsible. A perpetual contest is bound to exist between the leaders and organizers of society on the one hand, and the critics and agitators on the other—a contest in which the constructive forces are always winning although always harassed.

They win because they alone can produce results; but they will win more surely and more easily if they recognize this responsibility to produce results. They must beat the radical agitator to it, to use a bit of the language of the street, by keeping ahead of his power for mischief. They must find a way to make it clear to the common man that his interest is one with theirs; that orderly, efficient, uninterrupted industry will bring him better results than turmoil and confusion.—George E. Roberts, Vice-President, The National City Bank.

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#### IF WE ARE TO HOLD OUR FOREIGN MARKETS

If we are to hold to our foreign markets in this vast group of our manufactures, and thus to keep our people employed, we have several things to attend to. Fundamentally, we must get

our production costs down. That lies only along the road of increased efficiency in our whole industrial machine. It means a willingness of our working people to put forth every effort that is in them consistent with health, proper family life and good citizenship. The surest road to a continued high wage and the surest safeguard against unemployment are to remove every restriction on effort. This must extend from our mines to the railways, to the factories, to the wharf, and to the ship. It means smaller margins of profit. It means that ultimately we must have much lower transportation rates. It means we must have better organized marketing machinery abroad under Americans themselves. It means the establishment of adequate short-time credit machinery and much more care in foreign credit risks than our merchants have shown in the last twelve months. It means elimination of the great wastes in industry.

Unless we would cease a large part of our war-increased productivity, with all the resulting unemployment and losses of such a cessation, we must continue for some time to export in excess of our imports. Eventually the increase in our imports of tropical supplies, minerals and commodities that we do not ourselves produce, together with the spending of tourists and the investment of surplus capital abroad, etc., should overtake our export balance and establish a proper equilibrium.—Herbert Hoover, Secretary of Commerce.

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#### THREATENED DESTRUCTION OF THE INDIVIDUAL INVESTOR

My indictment of present society is that its middle, thrifty savings capitalistic class is being wiped out. I am going to give you a few facts and figures about a business I know a little about, that is, the railroad business.

After service on the Massachusetts Public Service Commission I was appointed, in war time, to the Interstate Commerce Commission. So I have given quite a good deal of time and study to the railroad situation. Now, during recent weeks I have been giving all my spare time and study to trying to assist indirectly in any means by which the New England Railroads may be saved from going into the hands of receivers. I want to give you some of the facts and figures relative to the capitalistic class that have invested their money in New England railroads, as one of the illustrations of the defects of our mod-

ern capitalistic society. The situation isn't all due to labor troubles, it is in large part due to labor troubles; it isn't all due to bad management, it is in large part due to bad management. But it is evidence on the fundamental important question as to how far our present organization of society enables us to select management that takes proper care, not only of the wage earner—who is represented at this end of the table—but of the capitalistic class whose earnings and savings are put in small individual investments into the great corporations upon whose massed capital modern industrial society largely rests.

There are about eight hundred millions of dollars represented by the capitalistic owners of the New England railroads. The New Haven road has \$157,000,000 of capital stock which, about ten years ago, sold around \$200, which has been selling as high as \$260. Probably a fair average for the investors holding it when it passed its dividend some five years ago was not far from \$200. It has been for a generation a favorite investment of the frugal class; it was in the trust estates, educational institutions, orphans' and widows' funds, and largely was used as a buttress to old age for the helpless and dependent classes. For there is no class so dependent as the class of people who have been brought up to live on savings made or inherited. Wage earners are far more independent. The Boston & Maine railroad had about \$40,000,000 of stock, about half of which was held for the benefit of the New Haven. That stock sold around \$200 a share—\$150 to \$200 a share for many years. Probably that \$175,000,000 (round figures) of stock stood the investors at least \$250,000,000, and, perhaps, \$300,000,000 invested in those railroads. I made a guess today as to the value of these stocks and bonds too. My guess is that, taking the recent sales of these securities as a fair test of the market value the New England Railroad securities stocks and bonds, are today worth approximately 40 per cent of their face value. You have a situation here in New England where hundreds of millions—I think about five hundred million dollars of savings—put in good faith at the public service into an absolutely essential public utility, have been lost. No unleased railroad in New England today except the little block of Bangor & Aroostook is paying a dividend on common stock.

A year ago the Boston & Maine was taken out of the hands of a receiver, with \$20,000,000 from the Federal treasury; yet it has just passed its dividend upon the preferred stock.

Now this is an illustration of what is going on, on a large scale, with our great corporations under so-called modern capitalistic management. Take my own case as an illustration; I have lost more of my savings by buying bonds that paid me about  $4\frac{1}{4}$  per cent upon the cost thereof, and that were sold on this market by good banking houses as the output of enterprises managed by some of the leading business concerns of this country, than I have lost in any foolish speculative investment of any kind in my life. I don't mean I have ever gone into speculation substantially, for I never did.

This is a pretty serious situation. It points to this: that our present capitalistic society is breaking down; not merely that it does not create a proper status for dealing with the rights of the wage earners who do the essential work, but that it is breaking down—and has largely broken down—in that it does not take care of the rights and interests of the great mass of the so-called middle class who save their money and who should be entirely independent in their old age, and who should be able to give to their children the results that accrue from reasonable economic independence. We ought to face these facts.—George W. Anderson, Judge of the U. S. Circuit Court of Appeals.

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#### WHAT MEMBERS OF LABOR UNIONS ARE STRIVING FOR?

Two propositions can be taken as absolute:

(1) If wages are unnaturally depressed regardless of cost of living, we shall have a series of anarchistic strikes—regular Bolshevik class wars—that will paralyze industry and perhaps destroy it.

(2) If there is a period approaching that of 1914, when hundreds of thousands were unemployed, state socialism will come in at once, and the state will have to support the unemployed.

In either event, both the employers and the employees will lose. But there is a clear way ahead if the industries provide themselves with markets that will absorb full time during twelve months of the year, and so arrange work and wages that every man will have a chance to express himself in his work and to earn wages that not only satisfy him according to his ability, but that also promise material increases without end as he progresses in ability.

Full-time production and working relations satisfactory to all parties are to be had by those who, with open minds, seek them. They are not among the impossibilities. But to attain them we must discard many old ideas and go forward with open minds.

The solution of the labor problem is not a thing by itself, but reaches into every branch of an industry. The variety and complementary natures of the lines made, the overcoming of seasonal production, the extension into foreign and other markets, all may be forced upon the owner by the single consideration of procuring and keeping together a stable human institution throughout the year.

There are some great lessons which the war has taught us with respect to workmen. The first is that money alone will not hold men. The factories paying the highest wages had exceptionally large turnovers; a steel plant that paid high wages and large bonuses had nearly the largest turnover in the country; the shipyards paid well; but in the largest of them, in spite of all the well-known "labor methods" being in force, the workers came and went so rapidly that a foreman seldom knew who would work for him on any day. . . .

We have also learned—and this is more important—that pride in work will do more than employment "methods" or pampering; in those shops possessing a feeling that employer and employe were all one in working for the winning of the war and there was no suspicion of undue profits on the part of the employer, the labor turnovers were comparatively small and the production per man comparatively large.

This yearning for recognition of work, for recognition of the dignity of labor in terms other than money, is further shown by the progress of strikes. Formerly most of the strikes were on the subject of wages, because wages are the easiest way of expressing dissatisfaction—money is the supposed universal cure-all. But when the workers got all the money they could ask for, they began to strike for union recognition—and union recognition is only another way of asserting independence; of saying that they desire a place in industry equal in dignity to that of the employer, that they want a recognized position. Broadly viewed, the whole union movement is a struggle to obtain a recognized place in society.

We are apt to forget what unions are, because of the attitude

of the business agents and the demagogues who do so much to obscure the real purpose of unionism. The unions have had a hard battle, and like individuals with a sense of insecurity in their social positions, they are prone to overdo things. But unionism really arose as a protest on the part of the workmen in mass against the loss in dignity of labor that the introduction of steam and the division of labor caused.—William R. Basset.

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### CHANGES ARE TAKING PLACE IN OUR BUSINESS LIFE

The game of life will be played differently.—There will be a levelling process; workers will demand and receive a larger share of the comforts and good things of life.—To my mind, it is only fair that our laboring people, our artisans, our farmers, and our small business men should receive an increasing share of the good things of life.—In the interest of these very people, entirely apart from what is usually called the capitalistic class, it is highly essential that the changes which bring about these desirable results be rightly guided and that they proceed along sound economic lines. Otherwise we shall have revolution, anarchy, and loss and suffering all along the line without compensation to any one.—Charles H. Sabin, President of the Guaranty Trust Co., New York.

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### **Employees of American Telephone and Telegraph Co. to Share in Purchase of New Stock Issue**

The American Telephone and Telegraph Co. has announced a new plan under which the employees of subsidiary companies may purchase additional stock in the company. Employees who have completed payments for stock previously bought are entitled to purchase the new issue at par, or \$100 per share. The stock may be paid for by deductions from wages, similar to those announced in connection with the Second Stock Purchase Plan. Interest at the rate of 8 per cent, compounded quarterly, will be credited to the accounts of employees purchasing stock under this new plan. In case an employee desires to withdraw from the plan before completing his payments, he may do so and receive back the full amount of his payments with interest thereon at 6 per cent per annum, compounded quarterly.

## MR. RICE'S DISCUSSION OF EMPLOYEE REPRESENTATION PLANS

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**The Need for Better Means of Communication, Contact, Education, Information and Dealing Between Employees and Management Being Admitted, Some New Method Must Be Devised Which Will Provide for the Elimination of Misunderstanding and the Wastes Which Result From the Strife That Comes From Misunderstanding. Before the Ninth Annual Convention Mr. Rice Discussed His Experience as Manager of the Lynn Works of the General Electric Company in the Operation of the Plan Which Has Been Installed at That Plant.**

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At the request of several delegates at the Ninth Annual Convention of the Association held at Niagara Falls, extracts from the address of Mr. Richard H. Rice, Manager of the Lynn Works of the General Electric Company on the subject of "Employee Representation in Management" are here reproduced. The address in full will appear in the annual volume of Proceedings.

Mr. President and Delegates:

I believe employee representation represents the first advance in the science of human relationship in industry that has been made within my recollection; and as it seems to me, not only from my experience, but from the study that I have made of other plants, that it is a genuine success and a genuine advance. I feel it is the absolute duty of everyone who is working under such a system to do everything possible to disseminate knowledge in regard to the plan amongst those who have to do with industrial relations, in order that it may be understood, that it may be used, and in order that it may be developed; because certainly at this stage of the game no one connected with the development of such a plan would for an instant regard it as a finished, fully developed plan.

The need for better means of communication, contact, education, information, and dealing between employees and management hardly needs to be discussed. It is universally recognized that the difficulties in the human relation arise from the difficulty of securing proper contact—finding men among the employees who are recognized leaders capable of speaking authoritatively for the employees—men with whom we can discuss our problems;

men who can give us the viewpoint of the employees themselves.

Labor unionism is an effort arising from the employees' side to provide such points of contact. Labor unionism arises from the fact that the relations between employees and management in the past have not been adequate. It arises from the fact that when an employer of labor did the wrong thing, there was nothing to be done on the part of the employees except to organize, except to secure means of contact which would overcome injustice. Labor unionism has its faults; it has its very glaring faults; and in so far as it has faults I am opposed to it. It also has positive merits; and in so far as it has positive merit I am in favor of it. But I am not operating a plan of representation at the Lynn Works for the purpose of opposing union labor. I have not installed such a plan, and I am not operating it under any circumstances as a means of breaking up labor unions. I believe that labor unions ought to exist, and will continue to exist; but in so far as they interfere with just relations, fair relations, and proper relations between employees and management, everyone connected with industry who desires to see progress, must be against them.

### **Strikes Reflect Bad Management**

In Massachusetts last year there were 384 strikes reported to our Board of Labor and Industry, and no doubt that does not represent the total of the strikes in that one state, which, as I recall it, has about 10 per cent of our manufacturers within its borders. That in itself is an indication, a powerful indication, of the need of some improved method of conducting our relations with our employees.

There are strikes which are perfectly justifiable and inevitable, and which no means of dealing with the men will prevent, because they arise from wrong conceptions, wrong ideas on the one side or the other which only force can try out and settle. I do not think that any method of dealing in itself can eliminate strikes, but 384 strikes in one year in the little state of Massachusetts is not an evidence of success in handling the human problem; it is largely an evidence of the need of better means of handling the human problem.

We also suffer in our factories from low production, from restricted production, from lack of interest in the job; and that is an evidence of a lack of cooperative means of dealing. I want to read you a few sentences from a letter written by a

farmer, a man who is at the head of a powerful organization of farmers, also the editor of a farm newspaper; and I think you will agree that this farmer has an excellent grasp of the problems of industry. He says in part:

"It seems to me that the plan you have adopted holds unlimited possibilities in the way of promoting harmony and constructive interest in industrial plants. I cannot conceive how any employer, or any employe, could remain unresponsive to it.

"The addresses of your managers and of the representatives of your workmen indicate that each comprehends the plan, and are proceeding in confidence of its workability. This is, of course, the first requisite to the success of any plan of undertaking.

"I am particularly impressed by the remarks of Mr. Gilchrist, of your Committee on Routine, Procedure and Elections. In reaching the conclusion that cooperation cannot be established or maintained without a proper *state of mind*, he touched the keynote controlling all harmony in industry generally, and in the relations of all men to each other. In this connection let me quote the opening paragraph of our last general letter."

This is a letter issued by the farm organization to its members, and is as follows:

"Every clear-thinking business man realizes that American industry and agriculture are sound at the core, and that the one requisite to restore normal activities and confidence is a proper state of mind among our people generally."

"Recognition that the state of mind of any man controls his actions is the very foundation of the activities of radicals and disturbers. It is for this reason that they attach so much importance to propaganda, and make such headway by unceasingly circulating the same. Experience has developed many masters in this line.

"Until recently employers have abandoned this all-important field of operations—the minds and hearts of their employes—to labor organizers. I have personally witnessed the transformation of many men from a conditions of open and fair-mindedness into typical union men. I know the process by which the closed mind is brought about; the suspicious and dishonest nature cultivated and class hatred developed. This transformation takes place in the open field of association, counsel, and cooperative interest, which, as I have stated, is usually abandoned to the walking delegates and the disciples of discord.

"The foreman is an indispensable personage in industrial plants, but as the sole link of communication or point of contact between employer and employe he is wholly insufficient and unsafe. He seldom promotes harmony, but frequently the reverse. Men are natural tyrants. The very nature of the foreman's duties tends to develop a tyrannical disposition, and the performance of those duties generates resentment and hostility.

"The efforts of many right-minded employers to improve the conditions of, and secure a closer relationship with, their employes is based upon charity. Charity is, of course, one of the finest attributes of human nature; but it cannot take the place of justice. When an employer understands this basic fact, and has caused his employes to understand, and has induced them to meet him on the common ground of cooperation, a great step forward is taken. When employers as a rule do this, far greater progress will have been made; but the complete solution of industrial troubles will come only when the 'plan' enters into the very spirit of industry itself, continuing to function regardless of changes in the personnel of employer or employes, and not requiring the steady presence of some strong man whose influence ceases when his hand leaves the helm.

"The field the employers abandon or ignore is one on which they could win every battle. The poisoners of men's minds can no more prevail against the truth, and the sustained interest of the employer in his employes, than disease germs can resist the sunlight.

"I do not mean that all the damage done in the minds of workmen can be corrected at once. The radicals have been at work too long. But I do feel sure that any such contest, though temporary reverses may be met, can be finally won, if the proper understanding and spirit are employed."

I contend that letter gives a good grasp of the industrial situation and the need for some such mechanism of dealing as the plan of representation.

We have a plan of representation at the Lynn Works which employ some 14,000 people in normal times; and under the same management we have a plan at the Everett Works which employ some five hundred people in the iron and steel foundries; also one at Taunton, a small motor shop, with about five hundred people; and one at the Windsor Works, which is also a motor shop with about 150 to 200 people. All of these plans were put in at about the same time—October, November and Decem-

ber, 1918. The Lynn plan was put in under the auspices of the War Labor Board. A strike had been brought about in the middle of July, 1918, and the men went back to work under the orders of the War Labor Board in August. In October we received an award from the War Labor Board providing for some method of collective bargaining, and under the auspices of that Board three representatives of the management, of which I was one, met a committee of our employes selected from the ranks of the strikers by the War Labor Board, and we proceeded paragraph by paragraph to make a plan of representation, which we agreed upon paragraph by paragraph unanimously, and the first day of December, 1918, we put the plan into operation by holding our first election.

### **Plan Provides for Wage Adjustments**

The first task confronting the members representing the employes and the management was to adjust the wages of our plant on a basis set by the War Labor Board, involving a most difficult comparison of wages, group by group, with those already established by the War Labor Board at our Schenectady plant. It was a most difficult task, because while we had similar lines of manufacture in the two plants, the character and size and general methods of manufacture of the different pieces of apparatus are so different that it is extremely difficult to make proper comparisons.

This work was entrusted to a General Joint Committee on Adjustment, consisting of four representatives of the management and four representatives of employes, who sat continuously on the job; and the award was put into effect about the first of April, 1919, and I know that the management feels, and I am positively certain that the employes feel, that the award was a magnificent piece of work. It involved considerable increases in wage, and of course the award had to be retroactive, so that large sums of money were paid out as the result of this work, which certainly could not have been done, in my opinion, in any other way.

Since that time the plan has been in operation with ever-increasing success. Our path has not always been a rosy one. For instance, in the spring of 1920 there was a strong pressure brought upon the management through the employe members of the Adjustment Committee for an increase of wages and for other things which were not proper or permissible under the

business conditions then prevailing. Strikes were threatened continuously up to the middle of June, but the campaign for these unwarranted increases finally collapsed without the letting of any blood, except that as an incident of the contest forty winders in one department went out and stayed out for five weeks in an unsuccessful attempt to pull out the whole plant.

Since that time industrial harmony has prevailed with one exception. In one of our plants a strike of moulders occurred, and the moulders at the Lynn Works went out in sympathy, having previously assured the Lynn management through their representative, that they had no dispute with the management, that they were perfectly satisfied with their conditions, and only went out because they were ordered out by the International Officers. That strike collapsed and was called off last week without the slightest gain to the moulders. At no time did the strike of the moulders affect in any way the remaining departments of the plant, and there was no sympathy whatsoever with it in the other departments.

### **Causes and Settlement of Complaints**

To give you an idea of the magnitude of the operations of such a plant I will read a few statistics. For instance, in the first year, when we were recovering from the disturbing effects of the strike, and when you would expect the maximum number of difficulties to arise, there were 1201 cases brought to the attention of the representatives of the employes, of which 1020 cases—or 85 per cent—were settled by informal conference between foremen of work and employe either alone or assisted by one or both of the sectional representatives. One hundred and twenty—or 10 per cent—of the cases were settled in Joint Shop Committee at first trial. And I may say here that we have twenty of these Joint Shop Committees in our plant, consisting of three representatives of employes and three representatives of management. The Shop Committee is a local affair, and it is difficult to give analogies which will not be misleading; but you might call it the Superior Court, if you wish to use the analogy of courts; whereas our General Joint Committee on Adjustment is the Supreme Court. The Superior Court, of course, has a local jurisdiction. Our Shop Committees have local jurisdiction. We divide our plant into geographical sections, and several of these sections are grouped together to make a shop, so that a Shop Committee can be constituted.

There are something like fifty-six sections, and each section consisting of about 200 employees on the average, is entitled to elect two representatives of employees. We group six of these sections of the representatives of the employees together, and they elect from their number three to sit on the Shop Committee. The management also appoints three members of the Shop Committee. Every committee connected with this plan in our plant is a Joint Committee, and we regard that as an absolutely vital principle.

As I have said, 120, or 10 per cent, of these cases came before the Joint Shop Committees and were settled. Nineteen more, or 1.7 per cent, came before the Joint Shop Committee, but the Joint Shop Committee could not reach a decision, and the matter was referred to the Department Head, who has a right to review the case and submit an opinion to the Shop Committee. These nineteen cases were all settled in that way by reference to the Department Head, who rendered an opinion satisfactory to the Shop Committee. Twelve cases, or 1 per cent, were settled in the General Joint Committee on Adjustment, and twenty-eight, or 2.3 per cent, of the cases were voluntarily withdrawn by the employee at some step in the proceedings.

At the end of the year only one case was unsettled, and no case has been referred to the Manager in our plant as the final court of appeal.

We have a provision in our employee representation plan that an unanimous decision by the Shop Committee absolutely terminates the matter. There is no power of review by the Management—there is no power of review by anybody. When a Shop Committee reports an unanimous decision that is the end of the case.

In this first year, ending December 9, 1919, of those cases, 70 cases, or 45.3 per cent, were unanimous decisions favorable to employee; there were 79, or 52.4 per cent, unanimous decisions adverse to the employee; that is, there were 46.3 per cent favorable to the employee and 52.4 per cent unanimous decisions adverse to the employee.

We also have a provision that if the Shop Committee comes to a majority decision in favor of the employee, and the employee is satisfied with that decision, that also terminates the case. We believe that is a valuable part of our plan—it gives the employee a slight advantage, which we always want to do, because the only way to be sure you are right with the employee is to be a

little more than right, and this provision guarantees that. Two cases, or 1.3 per cent, in the first year were majority decisions favorable to the employe and settled in that way.

After working the plan some time longer we come to the period of six months, from June, 1920, to December 1920, which is the last period for which I have statistics. In this case, as against 139 for the first year coming before the Shop Committee, or say seventy for six months, only thirty-six came to the Shop Committee for these six months—just about half as many cases, so you can see the operation of the plan has diminished the difficulties; and the dissatisfaction among the employes is gradually working down, so that the number of cases coming up is quite moderate—thirty-six in six months, which gives an average of six cases per month, or approximately one a week.

Of these cases eleven were unanimous in favor of the employe; two were majority decisions in favor of the employe; eighteen were unanimous decisions adverse to employe; three cases were withdrawn by employe; and two were unfinished at the time of the report. There were no cases referred to authorities higher than the Shop Committee.

I want you to notice that the number of unfinished cases is small, because we finish these cases up quickly. Dissatisfaction grows as cases remain unsettled, and we like to be very prompt.

Now, you may ask what kind of cases these were—what these cases have to do with. In the first year 4 per cent had to do with discipline by the foreman—appeals from the discipline of the foreman to the Shop Committee; 5 per cent were cases in which employes had been laid off; they thought the wrong man had been laid off and appealed for reinstatement; 17 per cent of the cases were transfers, where the employe appealed against transfer to another department; 4 per cent were where summary discharge had been appealed against; and 59 per cent involved a question of wages, while 11 per cent were miscellaneous.

### **Plan the Basis for Mutual Confidence**

The operation of our plan for two and a half years has brought us closer and closer to the ideal relationship between employe and management—a relationship where mutual confidence in one another exists, and where every man who has to deal with the management realizes that he can get a square deal; that nothing can stop him from getting a square deal except his inability to show a jury composed of at least 50 per cent of his

peers; his inability to show them that he has a just case.

In the period that we have been operating this plan three cases only have gone to the management. In one case it involved the act of a foreman in discharging a girl, and the action of the foreman was confirmed; and in two cases employes were reinstated and placed in another department. No difficulty whatsoever arose as a result of these decisions.

One case is very interesting. An employe sat for a time on the General Joint Committee on Adjustment—the highest Appeals Committee we have. I instituted the plan of consulting with that Committee about various matters having to do with the policy of the plant. On one occasion I thought it wise to fix the piece work prices for a period of six months in order to give our employes confidence that the piece work would not be cut on account of high earnings. I consulted this Committee, and the Committee gave me unanimous support that they were in favor of it. I put the thing into practice. Afterwards, in confidence, this man and another member informed me that they had not voted at the time this vote was taken—that they had not expressed their opinion. I told these men I felt that was in effect deceiving me, and not giving me the advice I was entitled to, and if I were a member of that Committee, under those circumstances I should feel it my duty to resign. These men did resign. There was talk of re-electing them at the next election, but this was not done.

This man I have referred to afterwards became involved in an altercation with another employe in the plant and knocked him down in the shop. He was tried by the Shop Committee and reinstated in another department. The employes in that department sent him to coventry; they would not talk to him, lend him tools, or have anything to do with him, and in the course of a few weeks he left the plant of his own accord.

That is the spirit that exists in the Lynn Works today; the men are more severe than the management in those cases.

In order to operate a plan of representation and do it successfully you have got to make up your mind (and I assume, without question, because I know many manufacturers, that this is the mind of the manufacturer of America) that the men are going to have an absolutely square deal and be given just treatment no matter how much it hurts, because there is no better means of bringing out injustice in the whole world than a proper plan of representation; and bringing out the injustice if it is

on the side of the management just as clearly as if it were on the side of the employees. If you have anything to cover up, and anything you do not want to let your employees know about in your dealings with them, you had better keep clear of the plan of representation; but if you believe, as I believe, that you want to put the cards on the table and tell your employees how you will treat them, and why you are treating them in certain ways, give them all the information that is necessary to put in a plan, because it is the ideal way of doing it. That is the fundamental basis you must have in your mind before you start working on a plan of representation.

### **Representation Plans in Small Plants**

People often say that these plans are only suitable for large plants, but our experience and the experience of many others indicate that it is not so. They are just as suitable for a small plant—will say any plant with 100 employees.

I have tried to give you what I consider the basic features of a proper plan of representation, always supposing that justice and fair dealing is going to be the policy of the management. The first requisite of a proper plan is representation by elected employees, elected by secret ballots within the plant. That is absolutely essential, and it is absolutely fair, and assures representatives who are leaders, who have the confidence of the employees and who are capable of speaking for them.

Another basic principle is that when employees bring up matters needing adjustment through their representatives, they must always be present with the representatives when the case is discussed by the foreman and by the Shop Committee, by the department head, or the General Joint Committee on Adjustment, or by the management.

The next principle is that the employee must be free to take up any question involving his relations, direct or indirect, with the management, including of course working conditions and wages.

It is a decidedly basic, vital principle, in my mind, that every committee should be a joint committee composed of an equal number of representatives of management and of the employees. It is impossible to put over here a committee of employees and over there a committee of executives and expect these men to discuss questions, with any intelligence whatsoever, involving the relations of employee and employer; because all sides of the

question are not brought out in the discussion, and the minds of the men in cases of such discussions are influenced by the facts which have been previously placed before them, and instead of harmonizing and solving questions, you are simply raising up bugaboos which will cause endless difficulty. All committees discussing questions under this plan should be joint committees.

Another vital principle is that committee decisions, within their jurisdiction, must be final if they are unanimous; there must not be any strings to them. The management must not have the power to review; to determine whether or not the decisions of these committees shall be put into effect. If you are going to have a committee, give it the power of decision.

Another thing you must be careful about is to avoid compromise, avoiding trading, avoid conciliation; these things are not necessary; what you want is fairness and justice, and when you get that there is no need for compromise. Compromise ruins the whole spirit of the thing. Find out what is right, and no matter who it hurts—management or employee—put it into effect.

In the early days we had one of the justices of our Superior Court come and talk to those engaged in the plan—the representatives of the management and the representatives of the employee—on the principles of evidence, and a great improvement in the dealings of our Shop Committee resulted from that; they began to see they were not representatives of employees when actually sitting on these cases, or representatives of the management; they saw they were men delegated to find out the facts and settle them according with their best judgment. We never think for a moment of instructing our management's representatives what to do. It is their business to find out what they should do, and do it; and we never call them to account for any action they may take in a Shop Committee.

Our plan does not provide for outside arbitration, and I think that is a wise thing. The whole essence of the plan of representation is to settle your difficulties in the plant. The moment you say to the Manager, "We don't like your decision and will go outside and have the matter arbitrated," you may as well have the arbitration in the first place, because then there is no place for the manager. Fix it so that the Manager has final decision and then talk about arbitration afterwards; but do not put it in the plan.

The representatives must be fully protected against the consequences of their acts. There must be no possibility of suspicion that the representatives who make themselves seemingly obnoxious to the management will suffer. This is a vital principle.

It is also vital that the plan shall be flexible and capable of changing, and you must have a Joint Committee in charge of administration of the plan which can change it any time by unanimous vote; and the plan will follow along with the proper development of the system. The election of the representatives in the plant should be geographically, because geographical elections give representatives who have breadth of vision. Craft representation is narrow.

### **Executive Functions Separate from Plan**

Another vital thing is that the plan should not be allowed to interfere with the executive functions of the plant. The Manager must be free to run the plant as if there were no plan. In the operation of the plan if it is discovered that the management has made a mistake, there is a court of review of the management's case, and we have found, through the operation of this plan, many weak spots in our plant department and remedied them.

There are certain desirable features not vital to the plan. In a large plant we should have these local Shop Committees and the General Committees, but in small plants you do not need all of that mechanism; you simply need the representatives on the one General Joint Committee;—these small works I spoke about have one General Joint Committee.

It is also very desirable to have periodic joint meetings of all those having to do with the operation of the plan, including employe representatives and management representatives. These meetings should be largely of an educational nature, and give an opportunity to the Manager to set forth the conditions of the business and the policy of the management. They give the employes opportunity—we provide for employes' speakers—to tell us how things are going, what changes ought to be made, and what their feelings are toward the management. They are most valuable and educational.

Another thing is, you need constant education of the foremen and constant education of the employe representatives of the Shop Committee men as to their duties and the theories on which your plan is operating.

Now, it will probably be said that all this takes a lot of time. So it does; it takes time to cultivate human relations; but you will take more time in cultivating human relations to the same extent without a plan of representation than you will with it. The plan of representation gives an opportunity to spend this time in cultivating the human relation to a great deal better advantage than any other way; in fact, you cannot cultivate it in any other way so well as with the plan of representation.

### **The Relations of Industry to the Public**

Industry today occupies a different position and a different relation to the community than it ever did before. We realize today, as we never did before, that the public has a vital interest in industry, in its orderly conduct, and in the fruits of it. Many people today see that there are four factors in industry—employees, management, stockholders, and the public. Whether you go that far or not, you must realize that the public does take a great interest in this matter. You must realize that corporations, which is the form many of our industries take today, are creatures of the public; the public regulates them and is entitled to know how they are conducted.

It is seriously urged and seriously proposed that the relations between employees and management should be made the subject of government regulation—that if we allow the matter to drift along; if we permit our relations to continue liable to sudden upsetting; if we continue to allow the tremendous percentage of strikes—forcible interventions in the conduct of our business—if we fail to solve these problems for ourselves they will be solved for us by government regulation, and no man whom I have consulted, who is connected with any plan of government regulation will say that government regulation is preferable to a proper private regulation. The managements of industry owe it to themselves, they owe it to their employees, and they owe it to the country to solve these problems for themselves along just and proper lines, and not let the government do it for them.

Now, if I am correct in believing that a plan of representation is a step in the direction of the solution of these internal problems, then I say that it is the duty of industry to consider seriously whether it can afford to operate without such a plan.

There are other countries which have not properly solved these problems, and one of them is very much in our hearts, I

hope; certainly very much in our minds—where the labor problem is being solved, if it is being solved at all, along very different lines; where it is even feared that the government will get into the hands of the labor people; and one of the colonies of that country already has its government in the hands of the laborites with very indifferent success. Does any man here desire to see labor in that position in this country? The answer is "No," undoubtedly. We cannot afford to do it.

Gentlemen, we have got to solve this problem for ourselves. If you have a better solution, by all means bring it forward and let us look it over; but in the absence of a better solution, in my mind this plan of employe representation is the solution. Mr. William B. Dickson, Vice-President of the Midvale Steel Company, which has large works and an enormous number of operatives, is operating plans of representation in all of their works. I was recently at dinner with Mr. Dickson when he was asked the question, "What is the solution of industrial problems with regard to human relations?" His answer came back quick as a wink, "Install plans of representation." That is the feeling of those who have operated plans of this kind, and have operated them successfully; and the gratifying thing about it is that no matter what kind of plan you are operating, if your heart is back of it and you want to do the right thing, and you are willing to give it a little time, it is invariably successful. The only lack of success I have ever found was where the plan was put in under protest—where the management did not believe in it; and it was a failure because they did nothing to help it along. A plan of representation is only a machine tool—a part of the equipment, and a facility for doing business. You must do the business, you must study the plan and make all you can out of it, and if you do that it will be a success.

### **The Importance of Human Problems**

I do not think we put as much time on the solution of the human problems as we do on manufacturing or merchandising problems. If we gave more attention to the problem of human relations we would make much better successes of our undertakings in the other directions. I think the trouble is that we are getting along all right, as we believe, on the manufacturing problem, and we are endeavoring to see how much we can extend our market, or borrow more money, or issue bonds. We do not give time to this human relation problem, and the time to

do it is when things are peaceful; not wait until there is industrial stress.

I have great confidence in the intelligence of American manufacturers, and now that this thing is in the limelight and has been successful in so many industries, I believe the plan will have a period of great expansion and will grow in importance. I think we are far from the end of the development of this plan, but so far as we have gone I regard it as a most successful and a most encouraging development.

### **Questions and Answers**

A DELEGATE: What percentage of your employes are foreigners, or are they all Americans?

MR. RICE: About 45 to 50 per cent of our employes are Americans, and the other 50 to 55 per cent are foreigners, including the English speaking nationalities; we have large numbers of Italians, Poles, and Greeks.

A DELEGATE: How strong is the union in your works?

MR. RICE: The more upset our conditions are the stronger are the unions. At the start the union was 85 per cent strong, and up to within six months practically all of the representatives on the committees have been strong union men—men who are solid at union headquarters. That is in the Lynn plant—in the company's other plants there is no unionism whatsoever.

A DELEGATE: I would like to ask Mr. Rice two questions; one is, at what point in the organization does the function of management commence and the function of the employe end; that is, who are your local representatives and who are your management representatives? Second—perhaps away from the entirely human side of the problem—have you noticed any increased productivity as a result of the plan?

MR. RICE: Answering the last question first, I believe there has been a constant increase in productivity since we began to operate our plan—a substantial amount.

Answering the first question: The employe representatives are actual employes; no foremen, assistant foremen, no inspector, or representative of the management of any kind can be an employe representative—the employe representative must be a genuine employe, a working man or a working woman. We have a number of women, but of course a greater number of men. The representatives of the management are chosen for their fair-mindedness, calmness of disposition, and also chosen to be out

of the current of the dealings having to do with the settlement of the cases in dispute—we try to get men who are detached from the problem—so they can bring to bear on the solution the greatest possible degree of fairness and impartiality.

A DELEGATE: May I ask, Mr. Rice, if the matters which are considered in the machinery of the plan of representation arise on the initiative of the employes, or does the management bring them up?

MR. RICE: The management puts up broad questions of policy wherein the advice and opinion of the employes would be valuable. In the case of our wage reduction, I can read it very briefly, because I have it in the form of a notice of information to employes just what was done. In a notice previous to the one which I will read, I explained that the General Committee on Adjustments was at my request considering ways and means by which the general business conditions could be met. The notice which went out under date of February 10, 1921, was as follows:

"In Notice No. 99, under date of January 29, I explained that the General Committee on Adjustment was, at my request, considering ways and means by which the present business conditions could be met and work provided for the largest number of people under conditions likely to be met with in the near future.

"This Committee has held a series of meetings, at which it has given very careful consideration to the situation, and it has unanimously come to the conclusion that a reduction in wages is proper and necessary.

"In view of all the circumstances I feel that the conclusion of the Committee is a just one, and I concur in it.

"The Committee was unable to reach a conclusion as to the proper amount of reduction in wages which is necessary to meet the requirements of the present situation, owing to the rapid changes of conditions and their complexity; and I fully appreciate the difficulties under which the Committee has labored in considering this matter.

"The Committee concludes the minutes of its discussions with the following language:

"'We are willing to leave this matter to you, knowing that you will conserve the best interests of all concerned.'

"After due consideration of the views of the Committee, and of all the facts, and desiring to make the minimum adjustment which will be likely to bring about the necessary result, I have decided upon the following changes: •

"There will be a thirteen per cent (13%) reduction in all piece work prices and basic rates, aside from the adjustments now being made under Notice No. 96.

"There will be an eight per cent (8%) reduction in the rates of hourly workers and day work scales, except as follows: foremen, assistant foremen, leading hands, draftsmen, engineering and cooperative students, apprentices and instructors. These exceptions are made because the wages of these groups have increased by a considerably smaller percentage than others."

A DELEGATE: Are unanimous decisions binding in those cases as well as in the cases of grievances?

MR. RICE: That is a case where the advice of the Committee was asked, and their advice was unanimous. We try in all cases in the General Electric Company to have unanimous conclusions, because we feel if one or two people cannot be convinced there must be something wrong with our proposition.

A DELEGATE: Was the opportunity given to this Committee to volunteer any supplemental matter they chose to, or could they only act on the wage matter in advising with you?

MR. RICE: In that case, the simple wage proposition was put, nothing more, and the figures were given to the Committee. We had made every possible economy we could to reduce the costs, and I put the broad proposition up to the Committee, what further steps the management could take to insure getting in as much business as possible. They came back with the proposition that the one thing to do was to reduce wages.

A DELEGATE: I would like to ask Mr. Rice if the Manager holds the power of veto?

MR. RICE: I tried to make that clear, that he does not; no, sir, no strings to it.

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### **Recognizing Woman's Business Ability**

That many women have good business judgment is being recognized. Mr. R. H. Rice in his address at the Ninth Annual Convention on "Employee Representation" stated that several of the members of their Representative Committee are women. The American Telephone and Telegraph Co. has just elected Miss Mary T. Reuse as a member of their Employees' Benefit Committee Fund; in fact, Miss Reuse, who has the title of Assistant to the Vice-President in charge of personnel and public relations, will have the greater burden of responsibility in the administering of the benefit fund.

## **THE CADET TRAINING SCHOOLS OF H. L. DOHERTY CO.**

**The Objects Sought by the Company Through Instruction to Employees Who Are Already Engaged as Engineers or Who Desire to Qualify for Such Positions.**

By H. B. SHAW.

I have been asked to tell you, securities salesmen, about the training schools for engineers operated by the Doherty Organization, that you may know how we train men to operate properties, and at the same time provide for the future needs for trained and experienced men who can be depended upon to carry on all of the increasing activities of the organization. When you are fully informed that the securities you are selling are safe-guarded by all possible means, by men trained to plan ahead and who have grown up together in operation, you will approach those to whom you sell securities in a spirit of confidence which they will not be able to resist. You can inspire your clients with the confidence you have in the securities, in the operations, and in the men, and they will join you in the conviction of the great value of the organization standing behind the securities you are selling them.

### **Anticipating Needs**

The organization has always had men who could be relied upon, even in times of stress and in emergencies, because the future needs for men have been anticipated and plans have been made and carried out to select and train men who take on responsibilities and initiative, as they progress and prove themselves, doing the work that is to be done.

### **Advancement**

Some of the men started as office boys, others in different jobs in operation, others came in when properties were acquired. Engineering graduates are selected each year from many engineering colleges and given two years of training with individual guidance and encouragement. Opportunities to learn the work and men are thrust upon them. This training of engineers started when Mr. Doherty picked a number of young engineers and trained them together with other men operating the first proper-

ties at Denver: later the work was under the direction of Mr. Bump, Mr. Griswold and others.

### **Recruiting**

Engineering teachers and students are kept informed about the organization and about the training schools, and in the spring, representatives visit the engineering colleges and with the aid of teachers select for employment the engineers who are best suited to grow through the training into effective and useful members of the organization.

### **Graduates**

In the first ten years from 1906 to 1915, one hundred and eighty engineers were employed, and now, more than half of them are effective workers and hold positions of great responsibility and usefulness in the organization. In the five years from 1916 to 1920, over five hundred engineers were employed, of whom about one-half are growing in responsible work to which they have been assigned, and about a hundred are still in training and will be ready for assignment in the next year and a half.

### **Three Schools**

The engineers employed are assigned to the three schools at Bartlesville, Denver and Toledo; and report for duty about the first of July. The training is directed by the general managers of the Bartlesville, Denver and Toledo properties, with a Secretary of each school who devotes most of his time to the training.

### **Work of Cadets**

The cadets or junior engineers, as they are called work in training alongside of the men regularly employed, they keep the same hours, and do the same kind of work, but as soon as they learn one part of the operation they are assigned to another until in this way they come to know operation from having operated. The cadets are in training work in all phases of the operation. They help produce and sell the gas and electricity and oil. They fire the boilers, run the street cars, build electric lines and pipe lines for gas and oil, and lay the tracks for the street cars. They help set up and operate the machinery, to keep it in repair and to see that it works efficiently and well. They also keep the records and accounts. They collect bills. Those in training for

oil work are placed in the fields on drilling and pumping the oil wells. They work on pipe lines and at the distributing stations and in refineries. They work in the offices on accounts and statistics. Thus, the cadets are trained into men who protect the investments by proper construction and operations by courteous and straight forward dealing with investors, customers, the public, and all those with whom they come in contact. They are trained not only in efficient operation and in rendering the best of service, but also to aid in the development and extension of the markets. In short, they are trained to solve the problems, technical, and human, and to meet situations as they develop, in fact, to anticipate them.

Through the budget system, they learn thrift and preparedness for themselves and the company.

### **Training From Actual Work**

The training comes from actual work with experienced operators, upon whose interest and encouragement we rely. This is one of the effective means of building and making permanent the organization which as carrying on all of the work of its own properties and fits in with the plan which Henry L. Doherty and his associates started and have continued of employing men early in life and giving them opportunity to grow, so that they are glad to stay and work in the organization which gives every man his chance as he proves himself in his work and with his fellows.

The training has been successful because everyone in the organization is interested in the younger men, and encourages and stimulates them to use their utmost efforts to work and grow.

### **Preparedness**

Even this incomplete statement of the training of engineers should be enough to convince you of the painstaking care and forethought which has gone into the building of the organization, and of the ability, loyalty, and preparedness of the men who carry on the operations and stand solidly behind the securities which you are selling.

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The Spirella Company, of Niagara Falls, has introduced training courses on behalf of its employes. Among its training activities is a correspondence course for the company's many agents located in various parts of the United States.

## **TRAINING ACTIVITIES OF THE COMPUTING— TABULATING—RECORDING CO.**

**The Company Is a Firm Believer in Securing Efficiency On the Part of Employees and Attributes One of the Greatest Factors in the Growth of the Company to Its Method of Training Employees Through Schools—Each Branch of Each of the Company's Subsidiaries Has Its Schools—Sales, Factory and Recording.**

The Computing-Tabulating-Recording Co. of New York, a Class "A" member of the Association, through a company publication, "International Business Machines," gives information regarding the training activities of the company; the February issue, in fact, is a school number, and from this issue the following information is gleaned:

### **Eighty Executives Meet to Discuss Plans for Extension**

In the Computing-Tabulating-Recording Co. everybody attends school, from President Watson down to the newest addition to the factory forces. The company's executives held their 1920 class during the week of September 20th to 25th, inclusive, and it proved to be one of the most beneficial schools held during the year.

Eighty executives and department heads representing every branch of the company's work in the United States and Canada, answered the school bell on Monday, the 20th of September—some of them from the factories, others from the field and the remainder from the recording and administrative branches of the business.

The schoolhouse was situated at Shawnee-on-Delaware, nestled in the Pocono Mountains of Pennsylvania—a spot selected for its quietness and lack of distractions of any kind. The wisdom of this choice of meeting place was reflected in the amount of constructive work that was done toward laying plans for the future expansion of the business.

During the course of the school every man with a problem brought it before the class and as a result many kinks were straightened out satisfactorily, and paved the way to framing one of the most comprehensive manufacturing and marketing programs ever devised.

The Executive School was conducted in the typical C-T-R manner. In every class of every C-T-R school President Wat-

son's long experience in industrial school work is reflected in the manner in which thoughts and ideas are put across. No one ever enters a C-T-R classroom without seeing the familiar easel, big white pad and crayons in front of the room. When a speaker wants to impress a thought upon his audience, he writes it on the white pad, the mind photographs it, and the thought sticks. During the week this executive school was in session the familiar white pad was used extensively, and in turn it stimulated the use of the pencils and notebooks with which the men were supplied.

### **The C-T-R Schools**

One of the greatest factors in the growth of the Computing-Tabulating-Recording Co. has been its method of training employees—through schools.

Each branch of each of the company's subsidiaries has its schools—sales, factory and recording—and practically every day in the year there is a C-T-R class of some kind being conducted somewhere; perhaps a sales class in some sales agency or a department class at one of the company's factories, or an inter-department class of office people.

The result of this policy is a coordination and a standardization of work, for the men and women who compose the fabric of the C-T-R company attend these classes primed not only to ask questions about their own work, but to offer suggestions that others may adopt to advantage.

The benefits derived from these schools is reflected in a higher degree of productivity and efficiency in every unit of the company. Factory and sales organizations operate under the quota plan and it is interesting to note what effect these classes have in branches where results can be measured to some extent.

In addition to this, an increasingly better understanding between departments and divisions of the company has been built up. It is a fact that has been proved very often that employees who are transplanted from their own immediate jobs or fields to a position from which they may view the work of the company as a whole become better workers—more thoughtful, more conscientious, more imaginative. They become better assistants to the people under whom they work, and they expand to their fullest capacity.

The building of the personnel structure of the C-T-R company receives a great deal of attention in every branch of the business. After a man is hired he is trained through these

schools to fill his new berth, and as he advances in the business he has an opportunity to attend more advanced classes. He "goes to school" again and he enjoys it because he feels that the company is interested in him and is trying to help him make the most of his opportunities.

The effect of this policy upon the mind and in the work of the man is not a matter for conjecture. The constructive effort put forth in his behalf is, after all, an investment upon which the yield is bound to be good. The broad training he receives through these schools instills in his mind the C-T-R company's interpretation of service as reflected in the many kinds of labor-saving business machinery it manufactures.

### **C-T-R Agency Classes**

Many of the company agencies scattered over the country have their own individual classes. Some of these classes meet once a month, others every week, and they are held regularly because they have been found to be a sales aid of immeasurable value.

Most of these classes are held in the morning and run for about two or three hours. The men, realizing that the classwork affords them an opportunity not only of expressing their own particular views on some point, but of getting something they can use to advantage in their own work, come prepared to contribute something themselves.

In these classes newly developed selling points and, in a great number of cases, selling points suggested by remarks of present users during the course of visits by the company's salesmen are discussed for general use.

Recent sales are reviewed and many interesting and important features in connection with these sales are related for the benefit of all. This develops helpful discussions and brings each salesman's store of knowledge up to the minute.

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### **A Foremen's Class at Endicott Plant**

One of the C-T-R factory classes conducted in 1920 brought together the foremen and department heads of the International Time Recording Co. at the company's factory at Endicott, N. Y., on October 7th and 8th.

General Manager J. E. Rogers, of the I. T. R. Co., took charge of these meetings, and, through the general discussions which took place, a great many manufacturing kinks were

straightened out and corrective measures applied wherever needed.

This departmental analysis resulted in the rejuvenation of whatever weak spots existed in the manufacturing organization and gave the foremen and department heads an opportunity to increase their knowledge of the business and, in turn, to pass it on to their men.

The principal object of the Foremen's Class was to study methods of increasing quality and decreasing costs. Other matters taken up were the relaying out of the factory and the preparation for an increased organization. More than 130,000 square feet of new floor space and tons of new machinery must be manned and there must be no break in the existing schedules while the transition from old to new schedules is taking place.

Of course, this requires the closest kind of cooperation and the most earnest thought of every man in the factories. The redistribution of labor and the selection of men for more responsible jobs must all be weighed upon the information contributed by the men closest to the work. It is therefore important that these men understand not only what results are sought but what are the means at hand for accomplishing the desired results.

### **A Sales Class That Sold Before It Graduated**

One of the most successful sales classes conducted in any division of the C-T-R company was the International Time Recorder Co. sales class, held at the company's factory at Endicott, N. Y., for four weeks, beginning October 25th, 1920.

This class was attended by forty-four young men sent in from the various sales agencies of the I. T. R. Co., and was in charge of Mr. F. P. Barry, a former salesman and sales agent and at present an I. T. R. sales instructor.

During the course each type of time recorder was taken up, described methods of approach and demonstration, so far as its mechanical features were concerned and, with a proper mechanical knowledge of the machines firmly fixed in their minds, the students were instructed in the application of time recorders to different lines of industry.

Numerous approaches and selling points were discussed, and typical sales were staged and participated in by the men. In these demonstration sales, the small business as well as the large was introduced, and the resourcefulness shown by some of the men made this feature of the course instructive and interesting.

Every conceivable objection a prospect might have was raised, and in each case it was proved that a prospect, in stating his objection, invariably suggests to the alert salesman the principal reason why he *should* install an International Time Recorder.

From time to time various officials and department heads connected with the company in both factory and office, as well as others from the field, addressed the men and passed on to them suggestions designed to help them in their work in the field.

The men had been attending the school only two weeks when they demonstrated the soundness of the course of instruction they were going through by conducting a "drive" on the city of Binghamton and bringing back with them on two separate occasions—a total of three hours—an encouraging amount of new business.

The men concentrated upon small places of business only. They traveled singly and in pairs, and learned that the more they knew about their product the more they sold.

These "drives" were conducted late in the afternoon, when most salesmen have quit for the day; and one team on their way to school next morning to report the success of their previous day's work stopped off at a store at a little before 8 o'clock and secured another order.

On the day following each of these two "drives" the men met in class and related their various experiences, and learned a great deal more about the actual selling of time recorders.

Since their graduation from this sales class many of these men have done excellent work back in their respective agencies. To promote a friendly spirit of competition among themselves they have purchased a silver loving cup to be awarded each month to the student securing the highest percentage of his quota. This contest will continue for thirteen months, and the man who at the end of that time has won the cup the greatest number of times will hold it permanently.

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### **Industrial Council of the Yale & Towne Company Undertake Educational Activities**

The Industrial Council of the Yale & Towne Manufacturing Company has formed an educational committee which will conduct a series of lectures designed to instruct employes interested in the subjects discussed. The first lecture was given by the General Superintendent, Mr. Maxwell C. Maxwell, and about one hundred and fifty were present.

## **PERSONNEL ACTIVITIES OF THE ONEIDA COMMUNITY, LTD.**

**This Company, Located in One of the Smaller Cities of New York State, Has Developed Many Activities Which Insure Not Only Happy, Loyal Workers, But Also the Best Welfare of the Community in Which This Industrial Development Is Located.**

By W. E. LIFE, Personnel Department.

In reply to your request for information regarding the activities of the Oneida Community, Ltd., in the interests of all participants in the fruits of this firm, either in official or in the direct labor capacity, would say that we are very pleased to state the substance of our situation, and tell you some of the things we try to do together here.

The Oneida Community, Ltd., takes a keen interest in the progress of all things local, and senses with pride the progress of civic interest in unison with the total resident personnel, and have been of material service in the progress of civic improvements. We have been active in the locality's improvements such as streets, highways, sidewalks, surface and sewage drainage from the residential districts of the locality.

We have been for years in a very substantial way aiding the public schools of the district by approximately putting dollar for dollar with the taxes and contributions by and from the individuals of the school district, thus making possible one of the best systems of schools that is to be found in the state.

We have been aiding in a material way those who are overcome by misfortune due to accident or sickness, either by direct moneterial aid, if such should be the need of the situation, or more frequently, by aid of material things needed, or by the supplying of services of a public health or emergency nurse where the family is not able to get out to obtain one, or if they have not funds enough to sustain a nurse. A visiting nurse is maintained in the locality by the joint cooperation of the schools, the city and the Oneida Community, Ltd. By far the larger portion of this expenditure is carried by the Oneida Community, Ltd. The public health nurse visits daily the schools, examining the children who may in the judgment of the teachers need some advice or attention; visits the sick who are likely to be in need of a nurse temporarily; gives attention and care to the small chil-

dren of the vicinity, and at intervals weighs and measures them; aids in keeping open the avenues of Red Cross help to any situation demanding it in this vicinity.

### **Functions of the Personnel Organization**

Back of this we maintain a Personnel Organization, the maintenance of which is entirely upon the Oneida Community, Ltd. The function of the Personnel Organization is to oversee the activities of the public health nurse; to look after carefully those who for any reason whatsoever have been absent from their work; to take an interest in the members of the family, even though they be not working, if they are in need of help more than those normally working are able to give without material labor sacrifice; to maintain four nurses who care for the injured, primarily in the plant, but open always to any member of the family coming in from the outside for attention to any injury that they might have; to maintain, in connection with the local physician and health officer, his services for a stipulated amount of time to the factory Emergency Room, so that cases requiring medical attention may pass through his hands, and injuries of a more serious nature may be carefully diagnosed by him, or a physical condition that is rather aggravated may be passed upon as to the advisability of the individual continuing at work or discontinuing further work until quite improved; to supply the statistical data regarding individuals in the organization as to births, deaths, as to who rents, owns homes or boards, married and single, etc.; to maintain the avenue through which the purchase of Oneida Community, Ltd., stock may be made in compliance with an arrangement of the Oneida Community, Ltd., with its employees who after one year of service may buy a definite amount of stock, after three years of service a still greater amount, and after five years of service a still greater amount per quarter; to maintain the earning records of individuals so that a Service Wage, which is likewise worked out and sustained by the Oneida Community, Ltd., may be effective and accurate, which Service Wage is distributed each quarter. Said Service Wage is a definite percentage of the individual's wages for the quarter and is based upon his length of service from three months up. The longer the service, the greater the percentage earnings received in Service Wage; to maintain a fully equipped Emergency Room with hospital beds, sterilizing equipment, and all first-aid material in ample quantities for any need, suitable

devices for eye inspection, nose or throat inspection, in fact, fundamentally everything a plant hospital should contain with the exception of an operating table.

### **Functions of the Community Associated Club**

There exists among the employes of the Oneida Community, Ltd., a club, which is composed of approximately 100% of the employes of the organization, and is known as the Community Associated Clubs, which is an outgrowth of previous organizations of men and women separately, but now consolidated into the one bigger organization. The function of this organization is the development of social activities, athletic activities, educational and dramatic activities, and the maintenance of a Disability Committee for the proper distribution of specified funds to those disabled or to those physically incapacitated for work. A Group Insurance scheme, which is sustained by the Oneida Community for the Community Associated Clubs and which makes possible the insurance of every C. A. C. member, varying in sums from \$500.00 to \$2,500.00, dependent upon his length of service and the size of his family, is maintained. The Oneida Community, through the C. A. C., maintains a special insurance fund for those 65 years of age or beyond, which is received by the individuals on a 10% basis, the basis being what their insurance would have been at the age of 65.

This Association further takes a keen interest in outdoor sports such as fishing, bird shooting, deer hunting, etc. We have an enthusiastic Rod and Gun Club, composed of C. A. C. members who are developing many very interesting shoots, supplying local streams with fish in very large quantities, and raising quantities of pheasants to stock the cover of this vicinity in order to obtain thereby the cooperation of the surrounding farmers who are the owners of most of the bird cover.

The C. A. C. maintains for the convenience of its members a summer camp in the North Woods, but easily accessible, for accommodation at a cost figure to any of the C. A. C. members or their families.

The C. A. C. maintains, supplied by the O. C. L., a ball park equipped with grand stand and bleachers, and immediately joining, supplied by the O. C. L., but maintained by the C. A. C. organization a club house, consisting of a large auditorium, a large room for the women's activities and meetings, bowling alleys, billiard tables, card tables, indoor rifle range, a soft drink

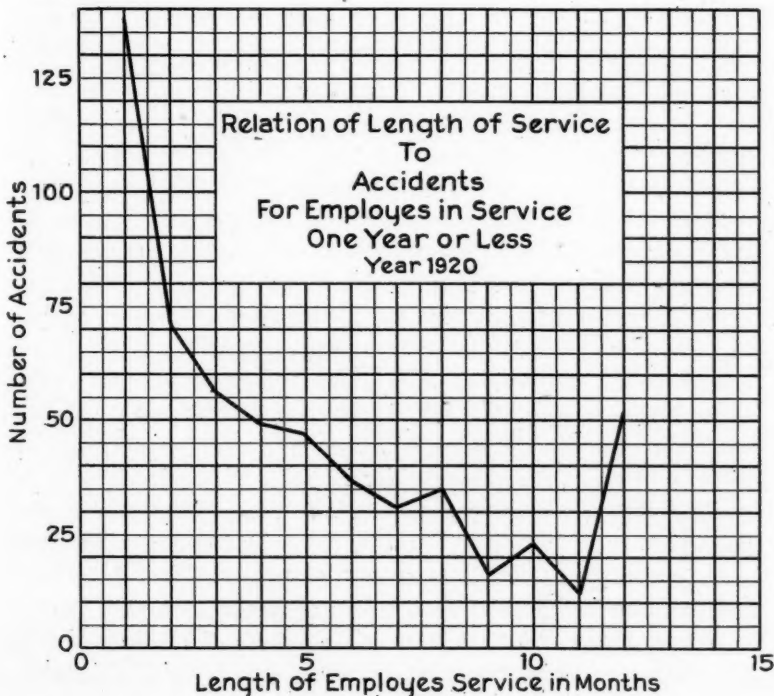
and candy, ice cream, cigar and tobacco stand, shower baths. The C. A. C. operates its own social affairs, such as dances, card parties, moving picture entertainments, musical programs, dramatic programs, educational classes, basketball, and when the weather permits, ice skating, hockey, and such rougher outdoor sports as sliding, snow shoeing and skiing.

The C. A. C. takes a keen interest in the civic affairs of the locality, and develops the grounds of the nearby vicinity for park purposes. The C. A. C. aids and encourages the planting of fruit trees, shrubs and other decorative growths about the premises, in fact, is thoroughly representative of the desires of the citizens of the vicinity, all of which is made possible by the cooperation of the Oneida Community, Ltd.

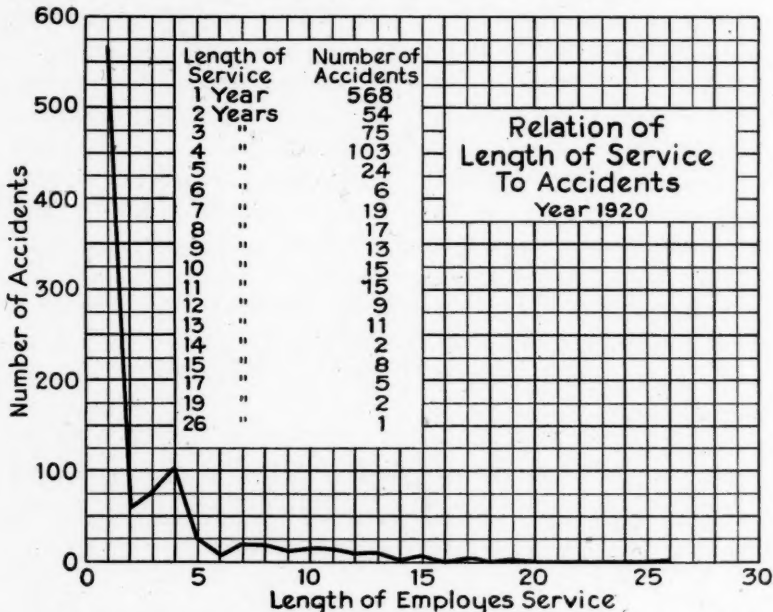
Definite dues are paid by the individual and a like amount as the total dues is supplied by the Oneida Community, Ltd., for the financial maintenance of the club.

### Foreman's Relationship to New Employes in Accident Prevention

By S. W. Ashe, of the Pittsfield Works, General Electric Company.



The curves given on this page, showing the relationship between accidents and the period of employment, point out in a striking way what a large percentage of major accidents occur to new employees and the responsibility which rests with the foremen to see that new men are instructed in the hazards of their occupation. It has been known for some time that a large percentage of accidents in industry happen to new employees or those who have been employed for less than one year.



The following data covering the experience of a large electrical manufacturing company whose product is quite similar to the Pittsfield Works, confirms this theory:

\*"As still further testimony of the effect of new employees on the accident hazard, another concern employing a large number of hands reports that 76 per cent of their accidents occur to employees less than one year in service and that such accidents are 39 per cent more severe in the item of lost time than are those occurring to employees older in point of service."

The general conclusion to the above statistics is that new employees are especially susceptible to accidents, and it behooves everyone to assist new employees, pointing out the dangers of their work and the great need for personal caution.

\*1917 Report of Committee on Safety and Health National Association of Corporation Schools.—S. W. Ashe, Chairman.

## NEW BOOKS WHICH MAY INTEREST OUR READERS

*Women in the Law—An Analysis of Training, Practice and Salaried Positions.* Published by the Bureau of Vocational Information, New York, N. Y. Price 50 cents, paper bound. This document consists of 138 pages, and treats the subject of woman's position in the profession of law, progress made, positions open, and salaries earned. It is an excellent treatise on this subject, and will prove of interest and value to those who are interested in the problem.

*Positions of Responsibility in Department Stores and other Retail Selling Organizations—A Study of Opportunities for Women.* Published by the Bureau of Vocational Information, New York, N. Y. Price 50 cents, paper bound. This is a document of 126 pages, and contains interesting information on the subject which it treats.

(When these books are ordered by mail, ten cents should be added for postage. The edition is also available in cloth covers at \$1 per copy for each booklet.)

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## Western Electric Awards 16,000 Service Certificates

The Western Electric Company recently distributed special service certificates to more than 16,000 of its workers who have been two or more years in its employ. The certificates, like the gold and silver stripes of the war time days, afford visible testimony of faithful and steady service in one of the world's great industries. They assure the workers of full protection under the generous insurance and pension provisions of the Employees' Benefit Fund maintained by the company.

The institution boasts twenty-two employees who have continuous service of more than thirty-five years each, sixty-five with more than thirty years, and 226 who have passed a quarter of a century in its ranks.

The total number of employees with service records of ten years or more is 4,262. The five to ten years class has 4,282 members. The youngest class of benefit fund members are those with two to five years' service to their credit—7,622 workers falling within this category.

The long-established policy of the Western Electric of filling its higher positions by promotions from within its own ranks is one of the main reasons for the many veterans it possesses.

**General Motors Employees Share in Company's Earnings**

A total of 6,332 shares of the 7 per cent debenture stock and 117,552 shares of the common stock of the General Motors Corporation will be awarded to the employees of the company as a bonus for the calendar year 1920. This plan was adopted in 1918 to induce employees of exceptional merit to remain with the company at least five years. This profit-sharing plan is also recognition of the fact that in a marked degree the success of the corporation may be attributed to inventions, ability, industry, service and loyalty of its employees. The bonus will be distributed among 6,577 employees.

After deducting from net earnings 6 per cent on the capital stock employed in the business, the corporation sets aside yearly 10 per cent of the balance. This amount is placed in the bonus fund, which is invested in the common and 7 per cent debenture stock. The money thus set aside in the three years has been more than \$13,000,000, not including the expenditures of administration.

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**Office Work Training Activities of the American Rolling Mill Co.**

From a company publication the following information is taken regarding the office training activities of the American Rolling Mill Co.:

"During the period of declining operations, our office apprentice class was discontinued, that is, the work part of the course was dropped. However, the class work was continued and the girls were invited and urged to continue in class. Not only this, but the classes were thrown open to any girls in the city who were out of employment whether Armco girls or not. Then, too, Armco girls who were relieved from regular position were urged to come to the Training Department to fit themselves better for their jobs or for better jobs.

"The Training Department has therefore been the busiest department of the mill during the slack season. The girls have been kept busy during the afternoons typing letters for the Sales Division. For this work they are paid on an hourly basis.

"The Department has cooperated with the Employment Department in assisting these girls to secure employment elsewhere wherever possible.

"As business becomes more nearly normal we are planning to organize our Office Apprentice Class again."

### **U. S. Naval Officers to Enter General Electric School**

A class of eleven lieutenant commanders and two lieutenants in the U. S. Navy, who have been graduated from the U. S. Naval Academy at Annapolis, and have completed a one year's post-graduate course at Columbia University, entered the General Electric Company's School of Marine Engineering June 13, for a six weeks' intensive training course. These officers are sent to the General Electric by the government to learn more of the application of the theory of the electric turbine drive as studied at college.

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### **The Dodge Manufacturing Company's Employees Maintain Both a Girls' and a Men's Band**

Over fifteen hundred people attended the first concert given by the Girls' Band of the Dodge Manufacturing Company. Twenty-four girls are members of this musical organization and thirty-three employees constitute the Men's Band.

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### **NEWSY NOTES**

A company publication of the Lynn Works of the General Electric Co. gives a list of 2157 employees who have been in the employ of the company at that plant from ten to twenty-five years. There are over 400 additional employees who have been with the company continuously for more than a quarter of a century. The management feels that this is a record which can be excelled by few if any other companies.

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Over 500 people were present when the class in Americanization and Naturalization held its final session at the Lynn Works of the General Electric Co. Last year 288 people connected with the classes passed the examination and received certificates in English, 184 men and 104 women. Of these 109 were admitted to citizenship, 70 have filed intentions and 20 are waiting for certificates from Washington.

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The H. J. Heinz Co. recently installed a large pipe organ in its auditorium at the home factory. The organ was dedicated on June 17, at which time Mr. Howard Heinz, president of the company, delivered an address.

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In 1915 the Quarter Century Club of the Atlantic Refining

Co. was organized. Since that time 454 employees who have completed at least twenty-five years' service with the company have been members, 44 have died, 10 have left the employ of the company, and one has been discharged; 62 additional members have been pensioned, and the average term of service is thirty-four years.

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The Prudential Insurance Co. pays a well-deserved tribute to the value of personnel activities in speaking of its method of allowing return dividends by individual groups. "By this method the employer will receive in increased dividends a proper allowance for low mortality due to any welfare-work he may undertake for the benefit of his employees."

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In future all students of the Training Department of the American Rolling Mill Co. who satisfactorily complete any course in the company's school will be presented with certificates signed by the proper officials of the company.

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The original enrollment in the Foreman Training Class of the American Rolling Mill Co. was seventeen, but the final enrollment numbered 108.

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The National Cash Register Co. makes the claim that its Choral Society has one of the best choruses in the entire country. The society was formed only a year ago, but has during its brief existence rendered unusual service.

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An annual event with the General Electric Co. is a meeting of the Apprentice Supervisors stationed at the various plants of the company. These meetings assume the form of a conference on matters affecting the administration of the company's Apprentice Schools.

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The Washburn-Crosby Co. has decided that the name of its building and loan association shall be "The Eventually Building and Loan Association," adopting for this purpose the company's chief advertising slogan.

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As a result of the Americanization instruction conducted at the Schenectady works of the General Electric Co., thirty-eight employees recently applied for American citizenship. In the list were representatives of many foreign countries.

The BULLETIN is in receipt of a neatly printed copy of the address delivered by Harry Arthur Hopf, for several years Chairman of the Association's Sub-Committee on "Job Analysis," before the Eighth Annual Meeting of the American Association of Public Employment Offices. Mr. Hopf is recognized as one of the best authorities on the subject he treated.

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The Atlantic Refining Co. has for some time conducted courses of instruction both by direct method and by correspondence. One of the most popular courses of the past season was on "The Technology of Petroleum Refining." The instruction in this course was given under the direction of Dr. Delbridge, chief chemist of the company. Plans were originally made to accommodate a class of forty, but so many requests were received from employees the enrollment was increased to 400.

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In addition to the employees of the National Cash Register Co. who graduated from the training courses provided by the company, additional employees to the number of 366 have pursued studies through outside institutions, such as the Y. M. C. A., the Knights of Columbus, business colleges and correspondence schools. Altogether over 1000 employees were under instruction during the past year.

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### **Heroes' Memory Honored by Great Industrial Athletic Field**

To honor the memory of the forty-nine Western Electric men who died fighting for their country, the company has just presented to its employees a completely equipped ten-acre athletic field. It is located just to the west of the company's works near Chicago.

More than 20,000 of the Western Electric's employees and their families participated in the dedicatory exercises. They marched from the factory to the new athletic field, led by a great part of the 4,389 Western Electric workers who were in the service, and by several of the American Legion Posts of Chicago. H. F. Albright, vice-president of the company and superintendent of its works, presented the field to the employees.

Mr. Albright explained the part athletics play in supplying a big industry's people with the chance to get acquainted and to develop group spirit. He attributed the splendid spirit of cooperation which has always existed in the ranks of the Western

- ✓ Electric Company to the great share out-door exercises have had in its welfare programs.

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**Massachusetts Provides University Extension Courses for  
Employees of the Lynn Works of the General  
Electric Company**

Four years ago the opportunity was given employees of the Lynn Works of the General Electric Co. to take the studies offered by the State of Massachusetts through its University Extension Courses, but under personal supervision of competent instructors, school sessions being established in the works for any course provided ten scholars would enroll. At that time 120 employees joined, 42 of this number being granted certificates; in 1918, 147 students were admitted, 36 graduating; 1919, 219 employees accepted the opportunity, of which number 79 succeeded in passing the final exams; this last year showed an enrollment of 425 pupils, of which 202 received certificates.

During the winter the State will offer three new courses in "Practical Shop Mathematics," a two-year course, and three-year courses in Mechanical and Electrical Subjects, with a post-graduate year to be optional with the student. The courses will be conducted under the direction of a joint committee composed of representatives of the State University Extension Department and members of the Educational Committee at the Lynn Works. The school year will be twenty weeks, each term to be ten weeks; sessions to be held two nights each week.

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**H. J. Heinz Co. New Recreation Room**

A new Recreation Room for factory heads of departments of the H. J. Heinz Co. was formally opened recently with a representative audience present. The address was delivered by Mr. E. S. McClelland, Director of Personnel at the Westinghouse Electric and Manufacturing Company. Drawn from his several years' experience as advisory chief of all the human activities of this enormous organization, employing thirty-four thousand in its manufacturing department alone, Mr. McClelland was able to give some convincing evidence of the growing importance of Personal, or as it is generally known Personnel Work.

The basic and vital purpose of such work is to establish and to maintain in a large organization the personal, human touch between management and men, which is such an important factor in the success of small concerns. The maintaining of such con-

tact in all our great industrial concerns will be a valuable means of allaying unrest and of settling the differences between capital and labor. Most friction is a result of a lack of understanding, and accordingly, when capital and labor come to understand each other better, they will work in much closer harmony.

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### **Dr. Frankel to Inaugurate Welfare Department for the Post Office Department**

Dr. Lee K. Frankel, Treasurer of the Association and Vice-President of the Metropolitan Life Insurance Co., has undertaken to organize, and for a time conduct, a Welfare Bureau for the Post Office Department of the Government. Dr. Frankel will serve without salary. There are about 300,000 employes in the Postal Division, and as Dr. Frankel is a pioneer in this line of work there is no doubt but what the government will profit by his activities and by his experience.

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### **Crane Foremen Form a Production Club**

The foremen and other minor executives of the Shepard Electric Crane & Hoist Company have organized a Production Club, the purpose of which is to extend interest in the science of industrial management. The application of the principle of this science is to be made through discussion and practice. It is the object of the charter members of the club to form an active and permanent connecting link between the management and the employes and to establish an association for enjoyment and recreation.

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## **DIRECTORY OF LOCAL CHAPTERS**

### **Chicago Chapter**

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R. R. Donnelley & Sons Company, Chicago, Ill.

MISS ANN DURHAM, Secretary-Treasurer.

Federal Reserve Bank of Chicago, Ill.

### **Southern New England Chapter**

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### **Western New York Chapter**

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The Shredded Wheat Company, Niagara Falls, N. Y.

H. E. PUFFER, Secretary-Treasurer.

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### **New York City Chapter**

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Equitable Life Assurance Society, New York, N. Y.

JOHN F. KELLY, Secretary-Treasurer.

The New York Edison Company, New York, N. Y.

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AMERICAN BRIDGE COMPANY, Ambridge, Pa.	MR. J. E. BANKS
AMERICAN HARD RUBBER COMPANY, New York City	MR. S. H. RENTON
AMERICAN LOCOMOTIVE COMPANY, Schenectady, N. Y.	MR. L. L. PARK
AMERICAN ROLLING MILL COMPANY, The, Middletown, Ohio	MR. CHARLES R. HOOK
AMERICAN SHEET AND TIN PLATE COMPANY, Pittsburgh, Pa.	MR. J. A. HUNTER
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BRIDGEPORT BRASS COMPANY, Bridgeport, Conn.	MR. ROBERT H. BOOTH
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CARNEGIE STEEL Co., Pittsburgh, Pa.	MR. JOHN MCLEOD
THE CHASE NATIONAL BANK, New York, N. Y.	MR. EDWIN A. LEE
CHENEY BROTHERS, South Manchester, Conn.	DR. C. C. BURLINGAME
CINCINNATI MILLING MACHINE COMPANY, The, Oakley, Cincinnati	MR. FRED A. GEIER
THE CLEVELAND-CLIFFS IRON COMPANY, Ishpeming, Mich.	MR. W. H. MOULTON
COMMONWEALTH EDISON COMPANY, 72 W. Adams St., Chicago, Ill.	MR. FRED R. JENKINS
COMMONWEALTH STEEL COMPANY, St. Louis, Mo.	MR. ARTHUR T. MOREY
CONSOLIDATED GAS Co. of N. Y., 4 Irving Place, New York City	MR. C. R. LAMMERT
COSDEN & COMPANY, Tulsa, Okla.	MR. C. M. FENSTERMACHER
CURTIS COMPANIES, INC., Clinton, Iowa	MR. C. D. PERRIN
DENNISON MANUFACTURING Co., Framingham, Mass.	MR. C. E. SHAW
DODGE MANUFACTURING Co., Mishawaka, Ind.	MR. MELVILLE W. MIX
HENRY L. DOHERTY & COMPANY, 60 Wall St., New York, N. Y.	MR. L. F. FULD
R. R. DONNELLEY & SONS COMPANY, Plymouth Place, cor. Polk, Chicago, Ill.	MR. T. E. DONNELLEY
THE DOW CHEMICAL COMPANY, Midland, Michigan	MR. L. G. MORELL
E. I. DUPONT DE NEMOURS & Co., Wilmington, Delaware	MR. WM. B. FOSTER
DURHAM HOSIERY MILLS, Durham, N. C.	MRS. W. W. SHAW
EASTERN MANUFACTURING COMPANY, South Brewer, Me.	MISS ROSE L. SEARLES
EASTMAN KODAK Co., Rochester, N. Y.	MR. P. W. TURNER
EQUITABLE LIFE ASSURANCE SOCIETY, New York, N. Y.	MR. F. P. PITZER
ERIE RAILROAD COMPANY, 50 Church Street, New York, N. Y.	MR. A. B. HOFF
FARMERS' LOAN & TRUST Co., New York, N. Y.	MR. EDWIN S. MARSTON
FEDERAL RESERVE BANK OF CHICAGO, Chicago, Ill.	MISS ANNE DURHAM
FEDERAL RESERVE BANK OF NEW YORK, New York City	MR. H. A. HOFF
FORD MOTOR COMPANY, Detroit, Mich.	MR. F. E. SEARLE
GENERAL ELECTRIC COMPANY, Schenectady, N. Y.	MR. H. G. REIST
GENERAL MOTORS CORPORATION, Detroit, Mich.	MR. H. H. RICE
HARRISAW ELECTRIC CABLE COMPANY, INC., Yonkers, N. Y.	MR. W. A. DEL MAR
H. J. HEINZ COMPANY, Pittsburgh, Pa.	MR. HOWARD HEINZ
THE HOOVER SUCTION SWEEPER Co., North Canton, Ohio	MR. MARTIN L. PIERCE
GEORGE A. HORMEL AND COMPANY, Austin, Minn.	MR. JAY C. HORMEL
JOSEPH HORNE COMPANY, Penn and 5th Aves., Pittsburgh, Pa.	MR. H. M. PHIFER
HYATT BEARINGS DIVISION, GENERAL MOTORS CORPORATION, New- ark, N. J.	
ILLINOIS STEEL Co., Chicago, Ill.	MR. T. W. ROBINSON
ROBERT H. INGERSOLL & BRO., New York City	MISS ALICE MCCOY
JONES & LAUGHLIN STEEL COMPANY, Pittsburgh, Pa.	MR. A. L. McLAUGHLIN
KAUFMANN DEPARTMENT STORES, INC., Pittsburgh, Pa.	MR. EDGAR J. KAUFMANN
KELLOGG, ANDREW H. Co., 141 East 25th St., New York, N. Y.	MR. JAMES S. HEDGES
KOPS BROTHERS, Irving Place and 16th St., New York City	MR. WALDEMAR KOPS
LARKIN COMPANY, Buffalo, N. Y.	MR. WILLIAM R. HEATH
LEVER BROTHERS Co., Cambridge, Mass.	JOHN W. BAKER
LINCOLN NATIONAL LIFE INSURANCE Co., The, Fort Wayne, Ind.	MR. FRANKLIN B. MEAD
R. H. MACY & Co., New York, N. Y.	MR. A. S. DONALDSON
MARBLE CLIFF QUARRIES COMPANY, The, Columbus, Ohio	MR. P. C. HODGES
MARSHALL WELLS Co., Duluth, Minn.	MR. W. F. ARNDT
THE MERCHANTS' LOAN AND TRUST COMPANY, Chicago, Ill.	MR. C. E. ESTES
MESTA MACHINE COMPANY, Pittsburgh, Pa.	MR. RODNEY A. PEEBLES
METROPOLITAN LIFE INSURANCE Co., New York, N. Y.	DR. LEE K. FRANKEL
THE MOUNTAIN STATES TELEPHONE & TELEGRAPH Co., Denver, Colorado	MR. R. B. BONNEY
NATIONAL CASH REGISTER Co., The, Dayton, O.	MR. H. G. CARNELL
NATIONAL CASKET COMPANY, 2166 Oliver Bldg., Pittsburgh, Pa.	MR. L. L. BRANTHOVER
NATIONAL TUBE COMPANY, Pittsburgh, Pa.	WILLIAM M. HOGG
NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY, Boston, Mass.	MR. THOMAS J. FEENEY
THE NEW YORK EDISON COMPANY, Irving Place and 15th St., New York City	MR. ARTHUR WILLIAMS